

The Washington Merry-Go-Round

White House Aide Is Investigated

By Jack Anderson

While Drew Pearson is covering the summit conference, his associate Jack Anderson is watching the Washington scene.

Even as former President Truman's appointments secretary, Matt Connelly, was finally shut behind bars last week, the Democrats began investigating his successor: President Eisenhower's appointments secretary and White House prankster, Tom Stephens.

They want to know more about Stephens' connections with the Blue Ridge Gas Company, which won the right to distribute gas in Rockingham County, Va., after one of the lengthiest battles ever fought before the Federal Power Commission.

The Commission even refused to hear a competitor, Virginia Petroleum Jobbers Association, which asked to appear in opposition. The Court of Appeals later overruled the Commission and forced it to go through the hearings all over again. But the second verdict came out the same as the first.

Backstage Influence?

The Democrats have now heard that Stephens not only was a major stockholder and



vice president of Blue Ridge but may have used his White House connections to influence Commissioner Frederick Stueck's vote.

Stueck told this column that he has talked occasionally with Stephens but denied that FPC matters were ever discussed.

During the time the Blue Ridge case was pending before the Commission, Stueck estimated he had been in touch with Stephens "a half dozen times." These contacts were "purely social," Stueck said.

He recalled that he had lunched with the White House aide, although he had no memory for the details. He was sure only that they had never met in either's office and had scrupulously avoided mentioning FPC business.

The publicity-shy Stephens got into politics through former Attorney General Herbert Brownell. Stephens handled undercover political assignments for the Dewey-Brownell political machine. This experience may explain why Stephens always fades out of the background when pictures are snapped around the White House.

In and Out

After he joined President Eisenhower's staff, Stephens formally cut his ties with a hole-in-the-wall Washington law firm which suddenly began prospering. He went back to the law firm in 1955 but kept a desk in the White House. For several months,

he operated out of both his law office and the White House.

Then in March, 1958, he accepted reappointment as the President's appointments secretary and again divorced himself from his law firm. At the same time, he assertedly sold his interest in Blue Ridge to his law partner's mother.

The law partner, H. Douglas Weaver, who is also president of Blue Ridge, insisted to this column that Stephens made a clean break with both the law office and gas company. However, Democrats on the House Legislative Oversight Subcommittee intend to investigate for themselves as part of their probe of the Federal Power Commission.

Note—Born in Ireland and brought up in Brooklyn, Stephens is known inside the White House for his innocent mischief. He succumbed one day to an irresistible urge to wear one brown shoe and one black shoe to work. On another occasion, he brought a phony Chinese celebrity to the White House.

Behind U-2 Story

The mystery has now been solved as to who put out the phony story that the U-2 spy plane disappeared after reporting an oxygen failure over Lake Van, Turkey.

The release was prepared in the State Department by Deputy Assistant Secretary Edwin M. J. Kretzmann in a desperate effort to cover up the truth about our aerial espionage.

He knew that a powerful monitoring station in Turkey had tracked the spy plane 1200 miles into Russia and had overheard the commands of the Russian fliers who finally intercepted it over Syerdlovsk.

Because it is an unwritten rule of international diplomacy never to admit espionage, however, he prepared the phony statement. Spokesmen for the Defense Department warned that the Russians might salvage the downed plane and even capture the pilot. Then they would be able to prove that the United States not only was spying but lying.

Kretzmann referred the decision to the White House where Press Secretary Jim Hagerty finally approved the phony statement. So far as this column can learn, Hagerty did not consult President Eisenhower but made the decision on his own responsibility.

Later the Defense Department's worst fears turned out to be all too well founded.

Note—One reason the fake report fooled so many top officials is that two U-2 planes were involved in the May Day mission. The second U-2 was flying along the Soviet border as a decoy. For a while, many officials thought it was the second plane that had reported oxygen failure. Search flights from Adana, Turkey, even scoured the Lake Van area for a downed U-2.

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